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Survey of Savings & Loan Associations' Adjustable Mortgages

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American Mortgage Insurance Company 5401 Six Forks Road, P.O. Box 27387, Raleigh, North Carolina 27611 919/782-7810

SURVEY OF SAVINGS AND LOAN ASSOCIATIONS' ADJUSTABLE MORTGAGES

The Federal Home Loan Bank Board recently authorized savings and loan associations (S & Ls) to make adjustable mortgage loans. The regulations on adjustable mortgages contain very few guidelines on how the S & Ls should structure their adjustable mortgages and left most decisions up to individual S & Ls.

Because of the strong interest in these adjustable mortgages among mortgage lenders and federal officials, American Mortgage Insurance Company (AMIC) conducted a nationwide survey of S & Ls in late August to discover what decisions S & Ls actually have made about their adjustable mortgage loans. This report presents the results of the survey. The results should be very useful for S & Ls that are still developing their adjustable mortgage plans, for S & Ls that may consider changing their current adjustable mortgages and for those that have yet to decide whether to offer these new mortgages. The survey is very timely because of the state of flux in the mortgage market. The first section presents the highlights of the survey results, the second section discusses the survey methodology while the third section contains the data on responses to each question in the survey.

HIGHLIGHTS OF THE SURVEY

The typical adjustable rate mortgage which S & Ls offer does not allow negative amortization, uses the national average FHLBB mortgage contract rate as an index, adjusts the interest rate and payment every year to three years, places a cap of 1.5 - 2% on each interest rate adjustment and 5% over the life of the mortgage, has a 90% to 95% maximum loan-to-value ratio and requires private mortgage insurance. About two-fifths of all S & Ls currently offer adjustable mortgages but two-thirds will likely offer them by the end of this year.

* Fixed Rate and Adjustable Rate Mortgages

There has been a rapid shift to adjustable mortgages, but the fixed rate mortgage has not disappeared. Forty-one percent of all S & Ls currently offer fixed rate mortgages while slightly less than 37% offer adjustable mortgages. There is some overlap in these numbers.

- 9% of all S & Ls have both fixed rate and adjustable rate mortgages
- 32% have fixed rate but not adjustable rate mortgages
- 28% have adjustable rate but not fixed rate mortgages and
- 31% do not offer either type of mortgage

Among these S & Ls offering neither fixed nor adjustable rate mortgages, some are completely out of the market or are only providing financing in connection with existing relationships, some are temporarily out of the market pending completion of their adjustable mortgage programs, or are offering only second mortgages or other atypical loans. Among the 63% of S & Ls that do not currently offer adjustable mortgages, 53% indicate they are planning to offer an adjustable rate mortgage by the end of this year. By year end, two-thirds of all S & Ls should be offering adjustable mortgages.

* Index

Most S & Ls - 67% of S & Ls that currently offer an adjustable mortgage - use the national average Federal Home Loan Bank Board mortgage contract rate as the index. About 10% use a Treasury bill or note rate as an index with 5% using the 6-month Treasury bill rate. Another 8% use the cost of funds to FSLIC insured institutions. Among the 15% of S & Ls using other indices such as their own cost of funds, almost all are state chartered institutions.

The fact that two-thirds of all S & Ls use the national average FHLBB mortgage contract rate as an index probably reflects the requirement of the Federal Home Loan Mortgage Corporation that any adjustable mortgage it purchases must use this index.

* Negative Amortization

Only 12% of all S & Ls offering adjustable mortgages, however, allow negative amortization. Again, the fact that 88% don't allow negative amortization results at least in part from the Federal Home Loan Mortgage Corporation (FHLMC) prohibition against negative amortization on any mortgage they purchase. Among the 92 S & Ls with assets of $1 billion or more, the percentage allowing negative amortization is much higher - 55% - perhaps because they plan to keep the adjustable mortgages in their own portfolio, because they plan to sell the mortgages to someone other than FHLMC, or because they have the financial and technical capability to introduce and monitor negative amortization.

* Payment Adjustments

One half of S & Ls offering adjustable mortgages adjust the payments every year and another 28% adjust the payments every three years. Very few S & Ls use a payment adjustment

period of under one year. This approach minimizes problems for the consumer, who typically gets an annual pay raise, and reduces internal computer and accounting costs.

About one-fourth of S & Ls place a cap on the percentage of payment increase for each adjustment period and 40% have a maximum percentage payment increase over the life of the mortgage.

* Interest Rate Adjustment

The adjustment schedules for interest rates are very similar to those for payments. One-half of the S & Ls offering adjustable mortgages adjust the mortgage interest rates every year and 26% adjust them every three years. A large proportion - 50% - place a cap on the interest rate adjustment. Among the one-half using a cap, the typical cap for each interest rate adjustment period is 1.5 - 2%; and 5% for the life of the mortgage.

* Loan-to-Value Ratios and Mortgage Insurance

Sixty-five prcent of S & Ls will go up to a maximum loan-to-value ratio on their adjustable mortgages of 90% or 95%. Only 27% have a maximum loan-to-value ratio of 80% on their adjustable mortgages.

All S & Ls require private mortgage insurance on adjustable loans with loan-to-value ratios of 90% or above and 92% of S & Ls require it on loans with above 80% loan-to-value ratios.

* Other Types of Mortgages

The survey asked if an S & L offered or planned to offer various types of mortgages. In general, there was little interest in these mortgages:

- Graduated payment mortgage	6.1% offer or plan to by end of 1981
- Graduated payment adjustable mortgage	8.4% offer or plan to by end of 1981
- Wrap mortgages	20.8% offer or plan to by end of 1981
- Shared appreciation mortgages	1.8% offer or plan to by end of 1981
- Reverse annuity mortgages	1.5% offer or plan to by end of 1981
- Pledged account mortgages	11.8% offer or plan to by end of 1981

METHODOLOGY

The survey involved three steps:

1) questionnaire design and pretest
2) sample selection and
3) data collection.

1. Questionnaire Design and Pretest

AMIC designed the questionnaire to get information on:

- the percentage of S & Ls currently offering fixed rate mortgages;
- the percentage of S & Ls offering adjustable mortgages;
- the extent negative amortization allowed, caps on negative amortization and recasting requirements;
- the index selected for adjustable mortgages;
- how often payments are adjusted, caps on each payment adjustment, and maximum payment adjustment over the life of the loan;
- how often interest rates are adjusted, caps on each period and the maximum interest adjustment for the loan;
- the typical term and loan-to-value ratio for the adjustables; and
- the proportion of S & Ls offering graduated payment mortgages, wrap mortgages, shared appreciation mortgages and other atypical loans.

The Research Triangle Institute (1), one of the nation's foremost survey research organizations, reviewed and pretested the questionnaire and its sampling statisticians drew a scientifically selected sample of 400 S & Ls from all sections of the U.S. The S & Ls were divided into four categories of asset size:

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(1)The Research Triangle Institute, located in the Research Triangle Park in North Carolina, is a not-for-profit institution which has conducted nationwide surveys for numerous federal agencies and private corporations for over 20 years.

1) under $100 million
2) $100 million to $299 million
3) $300 million to $999 million and
4) $1 billion and over.

2. Sample Selection

The sample selection is weighted toward S & Ls with larger assets; one out of every twenty in asset group 1 was selected, one out of every ten in asset group 2, one out of every five in asset group 3, and all of those in asset group 4 were selected. The distribution of total assets and number of S & Ls in each group is:

Asset Group	Percent of Total S & L Assets	Number of S & Ls in Group
Under $100 million	15%	3015
$100 million to $299 million	23%	869
300 million to $999 million	27%	334
$1 billion and over	35%	92

The sample is also coded by whether an S & L is state chartered or federally chartered. About 51% of the sample is state chartered and 49% have a federal charter.

The third coding is by census region. The distribution of the number of S & Ls is: Northeast - 17%; North Central - 33%; South - 37%; and West - 13%. The states in each census region are:

Northeast	North Central
Connecticut	Illinois
Maine	Indiana
Massachusetts	Iowa
New Hampshire	Kansas
New Jersey	Michigan
New York	Minnesota
Pennsylvania	Missouri
Rhode Island	Nebraska
Vermont	North Dakota
	Ohio
	South Dakota
	Wisconsin

South	West
Alabama	Alaska
Arkansas	Arizona
Delaware	California
District of Columbia	Colorado
Florida	Hawaii
Georgia	Idaho
Kentucky	Montana
Louisiana	Nevada
Maryland	New Mexico
Mississippi	Oregon
North Carolina	Utah
Oklahoma	Washington
South Carolina	Wyoming
Tennessee	
Texas	
Virginia	
West Virginia	

3. Data Collection

The Research Triangle Institute ran a computerized program which randomly selected the correct proportion of S & Ls for the entire sample and for asset size, type of charter and region. RTI calculated weights for each S & L so that a weighted analysis could be run which would provide reliable

statistics on the entire population of all S & Ls in the U.S. The sample is very strong and efficient and there is no sampling error for S & Ls with $1 billion or more in assets since all of them are in the sample. For other groups, the results are accurate at a ±4% to ±6% level.

Telephone interviews took place with S & L mortgage loan officers between August 18 and August 21. The telephone interviews were extremely successful and the sample response rate was 98%. The interview results were monitored and checked for accuracy to ensure high quality results.

TABLES OF RESPONSES TO EACH SURVEY QUESTION

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1. Does your institution currently offer conventional fixed rate mortgages? 1/

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	40.9%	43.8%	29.9%	43.1%	44.6%	37.4%	44.7%	34.1%	35.1%	45.7%	51.8%
No	59.1%	56.2%	70.1%	56.9%	55.4%	62.6%	55.3%	65.9%	64.9%	54.3%	48.3%

2. Are you currently offering any adjustable mortgage instruments in addition to or instead of fixed rate mortgages? 1/

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	37.1%	33.2%	46.0%	43.1%	57.6%	36.5%	37.7%	25.8%	41.9%	40.8%	29.2%
No	62.9%	66.7%	54.0%	56.9%	42.4%	63.5%	62.3%	74.2%	58.1%	59.2%	70.8%

1/ Note: - 9% of all S&Ls offer both fixed rate and adjustable rate mortgages.
- 32% offer the fixed rate mortgage but do not offer the adjustable rate mortgage.
- 28% offer the adjustable mortgage but do not offer the fixed rate mortgage.
- 31% do not offer either the fixed or the adjustable rate mortgage.

Among S&Ls not offering either fixed rate or adjustable rate mortgages, some are trying to change their current mortgage portfolios through steps such as making a second mortgage only to those who already have a mortgage with them and others are out of the market completely or are developing their adjustable mortgage to offer later this year.

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Savings and Loan Survey

3. If you do not currently offer adjustable rate mortgages, do you plan to offer adjustable rate mortgages by the end of the year?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	53.0%	54.5%	51.1%	43.2%	48.7%	45.2%	61.4%	43.5%	43.3%	70.7%	45.0%
No	26.0%	27.7%	21.3%	21.6%	18.0%	31.5%	20.2%	30.7%	40.5%	12.9%	19.8%
Do Not Know	20.2%	16.8%	27.7%	35.1%	33.3%	23.3%	16.9%	25.7%	16.2%	14.3%	35.2%

4. Do you offer an adjustable rate mortgage that allows negative amortization?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	11.9%	8.0%	10.0%	28.6%	54.7%	6.8%	17.1%	6.2%	13.0%	8.8%	27.2%
No	87.5%	92.0%	87.5%	71.4%	45.3%	93.2%	81.6%	93.8%	85.3%	91.2%	72.8%

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5. If you offer an adjustable mortgage where negative amortization is allowed, do you place a cap on the amount of negative amortization above the original loan balance?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	23.3%	24.9%	25.0%	25.0%	13.8%	1.8%	31.9%	0.0%	0.0%	23.0%	72.1%
No	75.7%	75.1%	75.0%	75.0%	79.3%	98.2%	66.6%	100.0%	98.7%	75.2%	27.9%

6. If you offer an adjustable mortgage where negative amortization is allowed, how often do you recast payments to provide for full amortization over the remaining life of the loan?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
At Each Paymt Adjmt	4.2%	1.2%	0.0%	12.5%	6.9%	3.6%	4.5%	0.0%	7.8%	3.5%	0.0%
Every 5 Years	35.2%	49.3%	25.0%	12.5%	41.4%	76.3%	18.5%	8.3%	30.8%	66.5%	9.3%
The Last Paymt Adjmt	0.5%	0.0%	0.0%	0.0%	3.4%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
Other	60.1%	49.4%	75.0%	75.0%	48.3%	20.0%	76.3%	91.7%	60.2%	30.0%	90.7%

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7. If you offer an adjustable mortgage where negative amortization is allowed, do you include a provision for an extension of term?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	31.5%	24.5%	25.0%	37.5%	51.7%	1.8%	43.6%	0.0%	42.2%	31.6%	21.0%
No	62.7%	75.5%	50.0%	62.5%	44.8%	96.4%	49.1%	100.0%	45.0%	66.7%	79.0%

8. If you offer an adjustable mortgage where negative amortization is allowed, what is the maximum extension of term on negatively amortizing loans?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-$299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
10 Years	63.6%	0.0%	100.0%	100.0%	86.7%	100.0%	63.0%	0.0%	36.8%	94.4%	100.0%
Do Not Know	36.4%	100.0%	0.0%	0.0%	13.3%	0.0%	37.0%	0.0%	63.2%	5.6%	0.0%

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9. If you offer an adjustable rate mortgage, what index is used for your adjustable mortgages?

			Size				State and Federal Chartered		Region			
		All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
A. National Average Federal Home Loan Bank Board Mortgage Contract Rate?	Yes	67.3%	66.1%	70.0%	67.9%	70.4%	59.0%	75.8%	58.1%	59.5%	76.7%	70.2%
B. National Average Cost of Funds to FSLIC Insured Institutions?	Yes	6.6%	6.0%	5.0%	14.3%	11.3%	5.0%	8.3%	15.6%	8.0%	3.4%	3.8%
C. Regional Average Cost of Funds to FSLIC Insured Institutions?	Yes	1.7%	0.0%	5.0%	3.6%	3.8%	1.2%	2.1%	0.0%	1.7%	1.7%	3.8%
D. 3-Month Treasury Bill Rate?	Yes	1.3%	2.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	3.1%	0.0%
E. 6-Month Treasury Bill Rate?	Yes	4.6%	4.0%	7.5%	0.0%	5.7%	2.5%	6.7%	0.5%	1.8%	4.7%	19.6%
F. 1 Year Treasury Bill Rate?	Yes	1.6%	2.0%	0.0%	3.6%	0.0%	2.5%	0.6%	0.0%	0.0%	3.9%	0.0%
G. 3 Year Treasury Bill Rate?	Yes	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%
H. 5 Year Treasury Bill Rate?	Yes	0.3%	0.0%	0.0%	3.6%	0.0%	0.0%	0.6%	0.0%	0.8%	0.0%	0.0%
I. Other 1/	Yes	15.3%	18.0%	10.0%	10.7%	17.0%	27.5%	2.9%	2.6%	26.9%	11.5%	2.5%

1/ Note: 91% of those using other indices are state chartered S&Ls; some of these are using their own cost of funds as an index.

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10. If you offer an adjustable rate mortgage, which is higher, the index rate or the mortgage rate?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$ 1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Index Rate	10.5%	11.8%	5.4%	16.0%	12.8%	13.0%	8.0%	7.6%	10.2%	13.2%	3.8%
Mortgage Rate	71.0%	69.3%	75.7%	68.0%	74.4%	67.9%	74.2%	58.5%	63.5%	75.4%	89.2%

11. How often are payments adjusted on your adjustable mortgage loans?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Each Month	0.7%	0.0%	2.5%	0.0%	1.9%	0.0%	1.4%	0.0%	1.7%	0.2%	0.0%
Every 3 Months	1.3%	2.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	3.3%	0.0%	0.0%
Every 6 Months	2.9%	2.0%	5.0%	3.6%	3.7%	3.7%	2.1%	0.0%	2.7%	3.2%	6.3%
Every Year	50.8%	41.7%	65.0%	71.4%	60.4%	41.4%	60.3%	42.4%	42.1%	63.1%	43.6%
Every 1½ Years to 2 Years	4.1%	9.9%	0.0%	3.6%	3.8%	9.9%	3.4%	0.0%	12.3%	4.0%	0.6%
Every 3 Years	28.3%	32.4%	22.5%	17.9%	22.6%	32.1%	24.4%	44.6%	27.0%	21.1%	42.5%
Every 5 years	1.3%	2.0%	0.0%	0.0%	1.9%	2.6%	0.0%	0.0%	0.0%	3.3%	0.0%
Other	3.7%	4.1%	2.5%	3.6%	5.7%	5.3%	2.0%	2.6%	3.3%	5.1%	0.6%

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12. If you offer an adjustable rate mortgage, is there a cap on the percentage of payment increase for each adjustment period?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	28.1%	21.9%	42.5%	21.4%	52.8%	27.7%	28.4%	34.3%	22.9%	36.1%	7.0%
No	69.4%	76.1%	52.5%	78.6%	47.2%	72.3%	66.5%	55.3%	75.4%	63.9%	86.7%

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13. If you offer an adjustable mortgage with a payment cap, what is the amount of the cap on the percentage of payment increase at the end of the first payment adjustment period? 1/

% Cap	All Respondents
0.0% *	7.7%
.5%	8.9%
1.0%	9.4%
1.5% to 2.0%	24.0%
2.5% to 3.0%	15.0%
5.0%	13.4%
7.5%	8.1%
10.0%	6.5%
25.0%	5.0%

* Have no cap in first payment adjustment period.

1/ Note: These payment caps apply to adjustment periods ranging from once a month to every 5 years; see page 6 for table on adjustment periods.

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14. If you offer an adjustable mortgage with a payment cap, what is the amount of the cap on the percentage of payment increase at the end of other payment adjustment periods? 1/

% Cap	% All Respondents
0.0% *	18.9%
.5%	8.9%
1.0%	9.1%
1.5% to 2.0%	17.9%
2.5% to 3.0%	2.6%
5.0%	15.6%
7.5%	3.1%
10.0%	7.8%
14.0% to 15.0%	4.4%
25.0%	5.0%

* Have no cap at the end of other payment adjustment periods.

1/ Note: These payment caps apply to adjustment periods ranging from once a month to every 5 years; see page 6 for table on adjustment periods.

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15. If you offer an adjustable mortgage with a payment cap, what is the amount of the cap on the percentage of payment increase at the end of the last payment period? 1/

% Cap	% All Respondents
0.0% *	36.4%
.5%	4.4%
1.0%	2.5%
1.5% to 2.0%	12.1%
3.0%	0.2%
5.0%	12.3%
7.5%	0.5%
10.0%	9.1%

* Have no cap on last payment.

1/ Note: These payment caps apply to adjustment periods ranging from once a month to every 5 years; see page 6 for table on adjustment periods.

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16. If you offer an adjustable mortgage, is there a maximum percentage payment adjustment over the life of the mortgage?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	39.5%	36.4%	47.1%	33.3%	25.0%	49.3%	29.8%	53.1%	29.7%	42.9%	9.0%
No	53.8%	54.5%	47.1%	66.7%	75.0%	50.7%	56.8%	31.8%	70.3%	48.5%	91.0%

17. What is the maximum payment adjustment?

Maximum Payment Adjustment	% All Respondents
5.0%	34.4%
10.0%	29.3%
20.0%	17.0%
50.0%	19.3%

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18. How often is the interest rate adjusted on adjustable mortgage loans?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Each Month	1.1%	0.0%	2.5%	3.6%	3.8%	0.0%	2.1%	0.0%	2.7%	0.0%	0.6%
Every 3 Months	3.1%	4.0%	0.0%	3.6%	7.6%	2.5%	3.6%	0.0%	6.8%	0.2%	4.4%
Every 6 Months	8.5%	4.0%	12.5%	21.4%	28.3%	9.0%	7.9%	7.8%	5.2%	11.6%	8.8%
Every Year	51.2%	45.7%	62.5%	60.7%	45.3%	43.8%	58.8%	37.2%	50.2%	59.8%	37.3%
Every 2 Years	1.3%	2.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	3.1%	0.0%
Every 3 Years	26.3%	32.3%	20.0%	7.1%	9.4%	32.0%	20.5%	51.8%	25.2%	15.8%	41.9%
Other	5.5%	8.0%	0.0%	3.6%	5.7%	7.7%	3.3%	3.1%	6.6%	6.4%	0.6%

19. If you offer an adjustable mortgage, is there a cap on the amount of increase in the interest rate for each adjustment period?

	All	Size				State and Federal Chartered		Region			
		Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	50.3%	54.2%	55.0%	17.9%	28.3%	47.9%	52.7%	67.4%	44.5%	50.0%	52.6%
No	48.4%	45.8%	40.0%	82.1%	71.7%	52.1%	44.7%	32.6%	53.8%	49.9%	41.1%

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20. If you offer an adjustable mortgage with an interest rate cap, what is the amount of the cap on the interest rate increase for each adjustment period? 1/

% Cap	% All Respondents
0.5%	9.9%
1.0%	10.8%
1.5%	21.4%
2.0%	30.9%
2.5% to 3.0%	14.6%
4.0% to 5.0%	6.2%

1/ Note: These interest rate caps apply to adjustment periods ranging from once a month to every 3 years; see page 12 for table on adjustment periods.

21. If you offer an adjustable mortgage, is there a maximum increase in the interest rate over the life of the mortgage?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	52.6%	52.4%	54.6%	40.0%	53.3%	53.3%	51.9%	57.8%	52.8%	43.4%	79.6%
No	43.7%	44.0%	40.9%	60.0%	46.7%	46.7%	40.9%	34.5%	47.2%	50.4%	20.4%

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22. If you offer an adjustable mortgage with an interest rate cap over the life of the loan, what is the maximum increase in the interest rate over the life of the loan?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Maximum % Increase											
2.0% - 4.0%	5.0%	7.1%	0.0%	0.0%	12.5%	10.3%	0.0%	0.0%	14.3%	0.7%	0.0%
5.0%	82.7%	78.9%	91.7%	100.0%	62.5%	69.4%	95.4%	73.2%	85.0%	77.3%	100.0%
6.0%	0.2%	0.0%	0.0%	0.0%	12.5%	0.5%	0.0%	0.0%	0.7%	0.0%	0.0%
8.0%	0.2%	0.0%	0.0%	0.0%	12.5%	0.5%	0.0%	0.0%	0.0%	0.7%	0.0%
10.0%	11.8%	14.0%	8.3%	0.0%	0.0%	19.4%	4.6%	26.8%	0.0%	21.2%	0.0%

23. What is the usual total term for the adjustable rate mortgages you offer?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Years											
1	1.3%	2.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	3.1%	0.0%
10	1.2%	2.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	3.3%	0.0%	0.0%
15	1.2%	2.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	3.1%	0.0%
25	15.7%	21.9%	7.5%	0.0%	1.9%	9.9%	21.6%	31.5%	13.3%	13.9%	12.5%
30	80.0%	72.1%	92.5%	96.4%	90.6%	81.7%	78.2%	65.9%	83.4%	79.7%	85.6%
40	0.2%	0.0%	0.0%	0.0%	5.7%	0.1%	0.2%	0.0%	0.0%	0.2%	1.3%

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24. What is the maximum loan-to-value ratio on your adjustable mortgage loans?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
LTV Ratio											
60%	0.6%	0.0%	2.5%	0.0%	0.0%	0.0%	1.3%	5.2%	0.0%	0.0%	0.0%
70%	5.1%	5.9%	5.0%	3.6%	5.7%	3.1%	4.1%	10.9%	10.3%	0.0%	0.0%
80%	27.4%	36.4%	10.0%	17.9%	13.2%	28.2%	26.6%	46.7%	18.9%	23.3%	52.8%
90%	31.0%	33.9%	27.5%	25.0%	18.9%	28.9%	33.1%	19.1%	41.4%	29.5%	12.6%
95%	33.9%	21.8%	52.5%	57.1%	62.3%	33.0%	34.9%	18.1%	24.5%	47.3%	34.6%

25. Is private mortgage guaranty insurance required on your adjustable mortgage loans?

			Size				State and Federal Chartered		Region			
		All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
A. Above 75% loan-to-value ratio	Yes	15.3%	17.3%	8.3%	21.4%	10.0%	11.1%	19.4%	19.0%	10.3%	20.2%	7.6%
B. Above 80% loan-to-value ratio	Yes	92.5%	96.4%	87.5%	91.3%	81.4%	91.4%	93.5%	86.1%	90.6%	94.6%	94.7%
C. Above 90% loan-to-value ratio	Yes	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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26. Are there any features in the structure of your adjustable mortgage which cause it to be unique?

		Size				State and Federal Chartered		Region			
	All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
Yes	30.9%	30.7%	25.6%	41.4%	46.4%	31.5%	30.2%	49.6%	26.4%	30.0%	26.0%
No	68.5%	69.3%	72.1%	58.6%	51.8%	68.5%	68.4%	50.4%	72.0%	69.9%	74.0%

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27. Do you currently offer or do you plan to offer by the end of this year, any of the following types of loans?

			Size				State and Federal Chartered		Region			
		All	Less than $100 Million	$100-299 Million	$300-999 Million	$1 Billion and over	State Chartered	Federal Chartered	North-east	North Central	South	West
A. GPM (Graduated Payment Mortgage)	Yes	6.1%	4.6%	6.9%	13.8%	16.3%	5.7%	6.4%	0.9%	8.0%	6.0%	8.3%
	No	83.3%	86.8%	78.2%	70.8%	62.0%	81.9%	84.7%	87.8%	83.4%	85.9%	69.1%
B. GPAM (Graduated Payment Adjustable Mortgage)	Yes	8.4%	8.1%	5.8%	16.9%	14.1%	7.9%	9.0%	3.6%	4.6%	11.1%	17.2%
	No	80.4%	82.0%	81.6%	67.7%	60.9%	78.5%	82.3%	87.8%	85.4%	79.8%	58.6%
C. WRAP or Blended Rate Mortgage	Yes	20.8%	18.5%	25.3%	27.7%	29.4%	20.8%	20.8%	4.9%	32.9%	16.3%	24.1%
	No	69.9%	73.6%	62.1%	61.5%	54.4%	69.4%	70.5%	82.4%	62.1%	75.8%	56.4%
D. SAM (Shared Appreciation Mortgages)	Yes	1.8%	2.0%	0.0%	4.6%	1.1%	0.9%	2.7%	0.0%	0.4%	4.1%	1.1%
	No	89.4%	90.7%	87.4%	84.6%	81.5%	89.3%	89.5%	87.3%	95.3%	87.9%	81.0%
E. RAM (Reverse Annuity Mortgages)	Yes	1.5%	1.3%	2.3%	1.5%	1.1%	1.1%	1.9%	2.7%	1.1%	1.9%	0.0%
	No	89.4%	91.4%	85.1%	84.6%	81.5%	89.9%	88.8%	87.3%	93.2%	88.1%	86.0%
F. Pledged Account Mortgage	Yes	11.8%	11.9%	12.6%	9.2%	10.9%	13.7%	9.8%	1.3%	12.8%	13.6%	18.3%
	No	78.9%	80.2%	75.9%	76.9%	72.8%	76.0%	81.9%	88.0%	82.9%	75.4%	65.9%

Note: Percentages may not add to 100% due to rounding

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